

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 8/20/12 CONTROL NO: ITEM NO:

SUBJECT: RESOLUTION NO. OB 12-06

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2013 THROUGH JUNE

30, 2013, AND TAKING CERTAIN RELATED ACTIONS

FROM: SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY

PRESENTATION BY: JUSTINE MENZEL, DEPUTY EXECUTIVE DIRECTOR

RECOMMENDATION

It is recommended that the Oversight Board approve Oversight Board Resolution No. 12-06 approving Recognized Obligation Payment Schedule (ROPS) No. 3.

BACKGROUND

Pursuant to AB X1 26, the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

On June 27, 2012, the Governor signed the State budget trailer bill AB 1484, which became effective immediately. AB 1484 imposes new requirements and deadlines, beginning with the ROPS covering the period from January 1, 2013 through June 30, 2013 ("ROPS No. 3").

Deadlines for ROPS Submission and Review

AB 1484 does not specify a deadline for the Successor Agency to submit ROPS No. 3 to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS No. 3 to the DOF, the Office of the State Controller

ROPS No. 3 August 20, 2012 Page 2

and the County Auditor-Controller no later than **September 1, 2012**. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS No. 3 may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board by October 1, 2012.

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS by September 1, 2012, the City of Artesia will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of September 1st, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations", the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations."

FISCAL IMPACT:

The preparation and submittal of ROPS No. 3 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from January 1, 2013 to June 30, 2013.

ROPS No. 3 August 20, 2012 Page 3

ENVIRONMENTAL IMPACT:

There will be no new environmental impact associated with adoption of the attached Resolution.

RECOMMENDATION:

Staff recommends that the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency adopt Resolution No. OB 12-06, approving the Recognized Obligation Payment Schedule for the six-month fiscal period from January 1, 2013 through June 30, 2013 and taking certain related actions.

Attachments:

Resolution No. OB 12-06

RESOLUTION NO. OB 12-06

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013, AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

- A. Pursuant to Health and Safety Code Section 34177(I), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the oversight board for the Successor Agency (the "Oversight Board") for approval.
- B. Pursuant to Health and Safety Code Section 34177(I)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the sixmonth fiscal period from January 1, 2013 through June 30, 2013 ("ROPS No. 3"), to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than September 1, 2012; and (2) post a copy of the Oversight Board-approved ROPS No. 3 on the Successor Agency's website.
- NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:
- <u>Section 1.</u> The above recitals are true and correct and are a substantive part of this Resolution.
- Section 2. The Oversight Board hereby approves proposed ROPS No. 3, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS No. 3 to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS No. 3 on the Successor Agency's Internet website (being a page on the Internet website of the City of Artesia).
- <u>Section 3.</u> The Oversight Board hereby designates the Successor Agency Deputy Executive Director, as the official designated to whom DOF may make a request for review in connection with actions taken by the Oversight Board.
- <u>Section 4.</u> The officers of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and

confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 20th day of August, 2012.

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
ATTEST:	WILLIAM A HOLT, CHAIRMAN
GLORIA CONSIDINE, SECRETARY	_

EXHIBIT A

SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY RECOGNIZED OBLIGATION PAYMENT SCHEDULE (January 1, 2013 through June 30, 2013)

Successor Agency Contact Information

Successor Agency to the Artesia

Name of Successor Agency: Redevelopment Agency

County: Los Angeles

Primary Contact Name: Justine Menzel

Primary Contact Title: Deputy Executive Director

Address 18747 Clarkdale Ave. Artesia, Ca

Contact Phone Number: 562-865-6262 x252

Contact E-Mail Address: jmenzel@cityofartesia.us

Secondary Contact Name: Maria Dadian

Secondary Contact Title: Executive Director

Secondary Contact Phone Number: 562-865-6262 x237

Secondary Contact E-Mail Address: mdadian@cityofartesia.us

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Successor Agency to the Artesia Redevelopment Agency

			Total Outstanding Debt or Obligation			
Outstanding Debt or Obligation						
Curre	nt Period Outstanding Debt or Obligation		Six-Month Total			
A B C	Available Revenues Other Than Anticipated RPTTF Funding Anticipated Enforceable Obligations Funded with RPTTF Anticipated Administrative Allowance Funded with RPTTF Total RPTTF Requested (B + C = D)		2,678,015 635,528 228,267 863,795			
	Total Current Period Outstanding Debt or Obligation (A + B + C = E) Should be the same amount as ROPS form six-month total	\$	3,541,810			
E F	Enter Total Six-Month Anticipated RPTTF Funding (Obtain from county auditor-controller)* Variance (E - D = F) Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding	\$	863,795			
Prior	Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	<u> </u>				
G H I J	Enter Estimated Obligations Funded by RPTTF (Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)** Enter Actual Obligations Paid with RPTTF** Enter Actual Administrative Expenses Paid with RPTTF Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)		237,101 237,101 - -			
Κ	Adjusted RPTTF (The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)	\$	863,795			

Certification of Oversight Board Chairman:
Pursuant to Section 34177(m) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named agency.

Name Title
Signature Date

The Successor Agency is completing and submitting the enclosed information under protest. The Successor Agency's completion and submission of ROPS III in the format mandated by the DOF does not waive and shall not be construed as a waiver by the Successor Agency of its right to challenge in any administrative, judicial or other proceeding, the validity of the DOF's template, its inconsistency with the governing statutes, or the legality or accuracy of any of the underlying assumptions on which the template is premised.

^{*} The Finance Officer of the Successor Agency has made inquiry with the County Auditor-Controller's Office, but has not yet received an estimate. The number entered represents the amount that the Successor Agency believes it should receive.

^{**} The County of Los Angeles did not make any disbursement from the RPTTF during ROPS I period. The number entered represents an allocable amount from FY 2011-12 tax increment received by Artesia Redevelopment Agency, exclusive of pass-through payments.

^{***} See footnote above. The number entered equals the amount paid with FY 2011-12 tax increment received by the Artesia Redevelopment Agency, exclusive of pass-through payments.

Name of Successor Agency:	Successor Agency to the Artesia Redevelopment Agency
County:	Los Angeles

Los Angeles

Oversight Board Approval Date:	
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RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) January 1, 2013 through June 30, 2013

												Funding Source	``		
							Total	Total Due During				r unuing Source	,e 		1
		Contract/Agreement	Contract/Agreement				Outstanding Debt			Bond	Reserve	Admin			
Item #	Project Name / Debt Obligation	Execution Date	Termination Date	Payee	Description/Project Scope	Project Area	or Obligation	2012-13	LMIHF	Proceeds	Balance	Allowance	RPTTF	Other	Six-Month Tota
	Grand Total						\$ 44,984,857	\$ 4,007,637	\$ -	\$ 2,678,015	\$ -	\$ 228,267	\$ 635,528	\$ -	\$ 3,541,810
1	2007 Tax Allocation Bond	12/5/2007	2042	Wells Fargo Bank, N.A.	Non-housing bond debt service payments	Commercial Corrido	26,382,607.00	805,625.00					470,313		470,31
2	2009 Tax Allocation Bond	6/18/2009	2046	Wells Fargo Bank, N.A.	Housing bond debt service payments	Commercial Corrido	9,794,646.00	286,030.00					155,515		155,51
3	Tax allocation bonds	2007; 2009	2042; 2046	Urban Futures, Inc.	Continuing disclosure fees	Commercial Corrido	3,700.00	3,700.00					3,700		3,70
4	Tax allocation bonds	2007; 2009	2042; 2046	Willdan Financial Services	Arbitrage rebate calculation	Commercial Corrido	6,000.00	6,000.00					6,000		6,000
	Advance and Reimb. Agreement and/or	9/2007; 3/2011 and			Reimbursement for improvements on Exhibit A of	Commercial Corrido									
5	Cooperative Agreement	2/2012	-	City of Artesia	agreement	Commercial Comuc	8,215,263.00	2,611,892.00		2,611,892					2,611,892
6	Cooperative Agreement	2/2012	-	City of Artesia	Administration and operations of Successor Agency	Commercial Corrido	0.00	0.00							-
7	Salaries	-	-	Employees of City/Agency	Payroll for downtown revitalization project implementation	Commercial Corrido	132,246.00	66,123		66,123					66,123
	Salaries/benefits	-	-	Employees of City/Agency	Payroll for administration/operations of Agency	Commercial Corrido	130,753.00	65,377				65,377			65,377
9	Rent	-	-	City of Artesia	Overhead, utilities, supplies, insurance, etc.	Commercial Corrido	,	82,500				82,500			82,500
	Legal services	-	-	Richards, Watson, Gershon	Legal fees for agency	Commercial Corrido		30,000				30,000			30,000
	Contract services	-	-		Professional project and housing services	Commercial Corrido		30,000				30,000			30,000
	Lobbyist	-	-		Lobbyist services	Commercial Corrido		12,000				12,000			12,000
	Business resource	-	-	Artesia Chamber of Commerce		Commercial Corrido	-,	1,500				1,500			1,50
	Accounting services	-	-	-	Specialized accounting, oversight, and reporting services			3,000				3,000			3,000
	Auditors	2012	2016	White Nelson Diehl Evans	CPAs for financial audit of agency	Commercial Corrido	3,890.00	3,890				3,890			3,890
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35	The Successor Agency is completing	and submitting the encloses	l information under protect	The Successor Agency's comple	I etion and submission of ROPS III in the format mandated by	, the DOE						+			-
					udicial or other proceeding, the validity of the DOF's templa		with the								-
	governing statutes, or the legality or accu				ductal of other proceeding, the validity of the DOI 3 temple	ite, its inconsistency	with the								-
38	governing statutes, or the legality of deed	dracy of any of the underlying	g assumptions on which th	template is premised.											-
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Name of Successor Agency: County: Successor Agency to the Artesia Redevelopment Agency
Los Angeles

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional) January 1, 2013 through June 30, 2013

Item #	Notes/Comments
5	This item was submitted on July 3, 2012 for reconsideration. On July 12, 2012, the Department of Finance issued a notice that any and all revised ROPS submitted to Finance for previous ROPS period are hereby rejected. Requests to reconsider denited or disputed ROPS items will be addressed in their
	January through June 2013 ROPS review. Furthermore, the Successor Agency is not asking for an adjustment in RPTTF allocations remitted on June 1, 2012 or any subsequent allocation date, but to utilize bond proceeds on hand for the implementation of a project and contracts lawfully approved by the former
	Redevelopment Agency. The Successor Agency has extensive supporting documentation for this line item. Alternatively, the Successor Agency seeks to have this approved as a "wind down" expense through the cooperative agreement between the Successor Agency and the City.
6	All or a portion of items 7-15 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/2012.
7	All or a portion of items 7-15 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/2012.
8	All or a portion of items 7-15 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/2012.
9	All or a portion of items 7-15 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/2012.
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14	All or a portion of items 7-15 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/2012.
15	All or a portion of items 7-15 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/2012.
	The Successor Agency is completing and submitting the enclosed information under protest. The Successor Agency's completion and submission of ROPS III in the format mandated by the DOF
	does not waive and shall not be construed as a waiver by the Successor Agency of its right to challenge in any administrative, judicial or other proceeding, the validity of the DOF's template, its inconsistency with the
	governing statutes, or the legality or accuracy of any of the underlying assumptions on which the template is premised.

Name of Successor Agency:	Successor Agency to the Artesia Redevelopment Agency
County:	Los Angeles

Pursuant to Health and Safety Code section 34186 (a) PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I) January 1, 2012 through June 30, 2012

						January	, 2012 through J	une 30, 2012								
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					LMIHF Bond Pi		d Proceeds Reserve Balance			Admin	Allowance	RPTTF		Other		
Dogo/Form	Line Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area***	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
Page/Foiiii	Grand Total	Fayee	Description/Froject Scope	Fioject Area	¢ LSIIIIale	r.	\$ 1,320,759			r Actual	£Stilliate	Actual	\$ 724,736	\$ 237,101	\$ -	\$ 146,930
	1 Administration	[F	Payroll for RDA		-	Φ -	\$ 1,320,739	ψ 1,503,690		φ -	φ -	- ·	6,274		Φ -	
1	2 Administration	Employees of Agency	Payroll for RDA Payroll for SA										34.507	0.00		12,809
1		Employees of Agency		_						+				0.00		71,590
1	3 Administration	ICSC/CRA	Membership dues	+						+			1,790	0.00		0.00
1	4 Administration	Post Office	Newsletter postage	_									780	0.00		0.00
1	5 Administration	Norwalk Printing	Newsletter printing									-	1,400	0.00		0.00
1	6 Administration		ne Business resource assistance	_		-							1,250	0.00		250
1	7 Administration	12 Miles Out	Internet/Cable broadcast meetings									-	750	0.00		750
1	8 Administration	Cline & Duplissea	Lobbyist										10,184	0.00		10,184
1	9 Administration	C&L CPAs	Auditors RDA	_		-				_			115	0.00		115
1	10 Administration	C&L CPAs	Auditors SA								1		597	0.00		597
1	11 Administration	Deb's Bookkeeplus	Specialized accounting/reporting										1,196	0.00		1,196
1	12 Administration	Richards, Watson	Legal services RDA										2,396	0.00		2,396
1	13 Administration	Richards, Watson	Legal services SA	+	1	.	1			+			39,604	0.00		42,843
1	14 Administration	Urban Futures, Inc.	Continuing disclosures for 2 bonds	+	-	-	1			+	1	+	4,000	0.00		3,700
1	15 Administration	HdL & Assoc.	AB1290 Calculations	1	_		1				-		500	0.00		500
1	16 Administration	Urban Futures, Inc.	Professional consulting	1	_		1				-		0.00	0.00		0.00
1	17 Administration	Kelly Associates	Professional consulting										0.00	0.00		0.00
1	18 Adv./Reimb. Agreement	City of Artesia	Value of land; public owned impr.				0.00	0.00								
1	19 Contract	HB&A Architect	Public works yard project services				11,880	17,309								
1	20 Contract	Hogle-Ireland	Artesia Blvd. Specific Plan				5,372	5,371								
1	21 Contract	Edge Construction	Management for PW yard construction				49,500	34,500								
1	22 Contract	Newman Midland Constr.	Public Works yard construction				1,170,174	980,587								
1	23 Contract	Tim Greenleaf Eng.*	Demolition of parking sites				*	*								
1	24 Contract	Griffith Co.*	Pioneer Downtown Construction				*	*								
1	25 Contract	TGR Geotechnical Inc.	Environmental, laboratory, & field Svc.				17,568	17,568								
1	26 Contract	Traffic Safety Engineers*	Insp. Signal timing, elect. Eng. Services				*	*								
1	27 Contract (3 projects)	A.C.E. Civil Engineers*	Insp. & civil engineering service				*	*								
1	28 Contract/Project Admin	Employees of Agency	Payroll for project oversight				66,265	66,263								
1	29 2007 Tax Allocation Bond**	Wells Fargo Trustee	Non-housing bond debt service**				0.00	382,292					468,108	85,816		
1	30 2009 Tax Allocation Bond	Wells Fargo Trustee	Housing bond debt service				0.00	0.00					151,285	151,285		
	*Agency ROPS items in dispute with															
	the DOF from May 18, 2012															
	,															
	**Because of changes to the flow and	timing of tax increment/prop	erty tax disbursements due to AB X1 26, the S	Successor Agency of	did not have sufficien	t FY 2011-12 tax ir	crement on hand to n	nake the full debt ser	vice payment. As	Shown, the Success	or Agency had to us	e bond proceeds to	make up the difference	e in order to avoid a b	ond payment defau	lt.
	Ü	1									T ,					
	***There is only one project area.	•														
	In reference to the "Other" column, the	e Agency has noted continu	ed payments of obligations and a deficit of tax	increment allocated	d and remitted for the	e 2011/12 fiscal ve	ar.									-
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